

Corporate Social Responsibility

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The F&N Group is committed to fulfilling our social responsibilities with respect to the people, society and environment in which we operate. We recognise that Corporate Social Responsibility (CSR) calls for good business practices and meaningful contributions to the community, and is necessary for sustainable long-term value creation.

At F&N, CSR is led strongly by the Board. At the operating levels, CSR risks and opportunities are also taken into account through our annual business review and planning processes, to realise these commitments at local level and day-to-day operation of the business.



Community

Our employees continued to participate in numerous endeavours aimed at providing opportunities for civic, economic and educational growth for members of the community.

One example is the F&N Out-Do-Yourself Award where it recognises Malaysia's unsung heroes in the spheres of nation building, sports, academic and business performances. Another nation-building event F&N participated in was the Rukun Negara campaign, where the Rukun Negara label was printed on approximately 11 million cans of *F&N Vitaminised, F&N Sweetened Creamer and Gold Coin Creamer* combined.

As part of the 'Milk Loves You!' campaign, F&N made a Feed-A-Child Pledge to nourish 400 underprivileged children with a daily supply of milk for over six months, to ensure that they received a steady source of much-needed calcium, protein, vitamins and essential minerals. F&N also brought early Ramadan cheer to the orphans and single mothers with RM20,000 worth of Ovaltine products and a high tea. The orphans and disabled children also received RM19,000 worth of cash along with a day filled with fun and games.

Another ongoing project targeting needy children was the team building programme where a series of team building exercises were introduced to help boost self-confidence, develop a sense of camaraderie and foster racial unity among underprivileged children.



The aged too received attention from F&N in the form of Chinese New Year cheer. The residents of the Penang Home for the Infirm and Aged were treated to a sumptuous luncheon, a lion dance performance, mandarin oranges, ang pows, F&N products, cash donations and a brand new television set.

F&N Coca-Cola remains a prominent sponsor of some of Malaysia's most popular sporting events. This year, *100PLUS* contributed nearly RM1 million to the Minister of Education Football League football development programme – a joint project between the Ministry of Youth and Sports and the Football Association of Malaysia. Other high profile branded events included the *100PLUS Super Cup*, *100PLUS Malaysian Junior Open* which is the nation's premier junior golf tournament, and the *100PLUS Sportswriters Association of Malaysia Excellence Award 2007*.

Education

F&N understands the value of education in grooming future generations of leaders. During the year, FCL entered into a partnership with the Building and Construction Authority (BCA) to offer the BCA-Frasers Centrepoint Built Environment Scholarship 2008. The scholarship targets Architecture and Civil Engineering undergraduates from the National University of Singapore and the Nanyang Technological University (NTU). A three-year scholarship worth S\$33,000 was awarded to Ng San San, a second year NTU undergraduate currently pursuing a Bachelor of Engineering (Civil Engineering).

Anchorpoint was the venue sponsor for the inaugural Enterprising Retailing Team Challenge 2008. Organised by Yuying Secondary School, in collaboration with South One Cluster and the National Institute of Education, the event provided a platform for Secondary Three students from nine schools to put into practice what they had learnt in their Elements of Business Skills class.

The Group also takes seriously our social responsibility in public education, especially among youths. During the year, our brewery division spearheaded a youth-for-youth campaign to discourage binge drinking. Entitled "Get Your Sexy Back", the programme aims to increase awareness of the negative effects of binge drinking and to promote responsible drinking behaviour. Phase 2 of the programmes was also launched via various youth-centric communications touchpoints. In addition, we continued to support the Traffic Police Anti-Drink Drive Campaign, a programme we have taken on since 1995.





Environment

The F&N Group is committed to integrating environmental best practices into our three core businesses, so as to limit the impact that our businesses have on the environment and to manage environment risk as effectively as possible throughout all our operations.

Our Brewery division is a supporter of the Singapore Voluntary Packaging Agreement and a sponsor of Engage! Roadshow for ECO Singapore – a non-profit NGO that aims to establish a voluntary environmental movement.

F&N collaborated with the Shah Alam City Council (MBSA) on a three-month recycling campaign for the second year running to inculcate and revive the spirit of recycling in

school children. A total of 37 schools took part in this year's campaign – 12 more than last year, and yielded over 113,873 kg of recycled materials.

Our glass division continued to carry out the recycling initiatives pursued in the previous years. To reduce wastage, the division has increased usage of cullet and broken glass in the glass manufacturing process.

Two of Frasers Centrepoint's malls – Northpoint and Compass Point joined hands with the community stakeholders to raise public awareness on recycling and the need for energy conservation. In November 2007, Northpoint sponsored 5,000 canned drinks as part of Yishun Junior College's school fund-raising initiative. The students sold the drinks, collected the empty cans and participated in a Christmas-themed drink cans design competition organised by the mall. Through the display of winning entries, the activity helped to promote awareness of recycling to the shoppers and residents.

Compass Point ran a 'Go Green' promotion to educate shoppers on the need for energy conservation. Together with North-East CDC, schools from the North-East region participated in this promotion by exhibiting their own energy conservation ideas and works at the main atrium.

At F&N, our leaders and staff are the driving force behind the strategic capabilities and continued growth of the Group.



Grooming Future Leaders

Dynamic leadership is critical and to ensure a continuous stream of talent, the flagship Management Development Programme (MDP) remains the key tool for grooming identified high-potential executives as part of the Group's long-term career development and succession strategy. The six-day residential programme provides a valuable immersive experience in the fundamentals of general management and has successfully honed many accomplished leaders from

within the Group's various business units. The programme was enriched with the experience sharing by CEOs of the Group's various business units.

Two runs of the MDP were organised this year, fine-tuned to place more emphasis on indoor and outdoor experiential learning. The outdoor session for the second run of the MDP was conducted at Republic Polytechnic's state-of-the-art Adventure Learning Centre, with experiential learning activities incorporating a blend of individual confidence building and team building. F&N Group Chairman, Mr Lee Hsien Yang and Senior Management from the various business units took the time to grace the outdoor segment on one of the days, signifying the Group's commitment to the development of our future leaders.

F&N Group MDP Alumni was also set up in an effort to maintain the camaraderie and keep the group of high potential executives actively engaged. The alumni network aims to encourage the participants to continue their network of friendship, build unity, share learning experiences and further develop their leadership skills, via a platform of events and advanced management programmes. To date, the Alumni has over 200 members from all business units, both locally and overseas.

Building and Harnessing Talent

Apart from leaders, we recognise that all staff contribute to the success of the Group.

Ensuring Group Alignment

Ensuring policy, procedural and systems alignment and consistency across the various business units of the Group provides a common platform for identifying and establishing talent. This is fulfilled via the Total Performance Management System (TPMS) along with the Human Resource Policies and Training & Development Guidelines.

As part of our annual practice, a Management Review (MR) of the Group's Career Development and Succession Plans (CDSP) with the respective Business Unit CEOs/ group Functional Heads was undertaken. The CDSP ensures availability of qualified talent within the Group to take up senior level and key positions, as well as to establish a talent pool to fill new positions due to business growth and expansion. It also effectively serves to create a positive environment for career growth, management succession and continuity within the Group.



Developing Our Human Capital

Apart from leaders, we recognise that all staff contribute to the success of the Group. In-house corporate training programmes were conducted throughout the year to strengthen the competencies and capabilities of our people, so that they may be ready to meet the challenges of the competitive business environment.

The Group also sponsored selected executives for external advanced management programmes at Singapore-based and overseas tertiary institutions such as the National University of Singapore, Nanyang Technological University, INSEAD and Harvard University. The global exposure gained by our executives at such programmes, coupled with international assignments and the various development programmes, serve to support the Group's expansion needs and to maintain the entrepreneurial spirit of our founders.

